Registre de Commerce et des Sociétés
B119320 - L150077555
déposé le 07/05/2015

MENTION

Dénomination / Raison sociale de la Société : Industrial and Commercial Bank of China (Europe) S.A

Siège Social : 32 Boulevard Royal L-2449 Luxembourg
Numéro d'immatriculation au registre de commerce et des sociétés : B119320

Les comptes annuels au 31 Décember 2014
ont été enregistrés et déposés au registre de commerce et des sociétés qu'elles remplacent la 1ère version (art.6bis du règlement grand-ducal modifié du 23 janvier 2003 concernant le RCS).

La date déposée de la 1ère version est le 04 mai 2015 et le numéro de dépôt au RCS est L150075407.

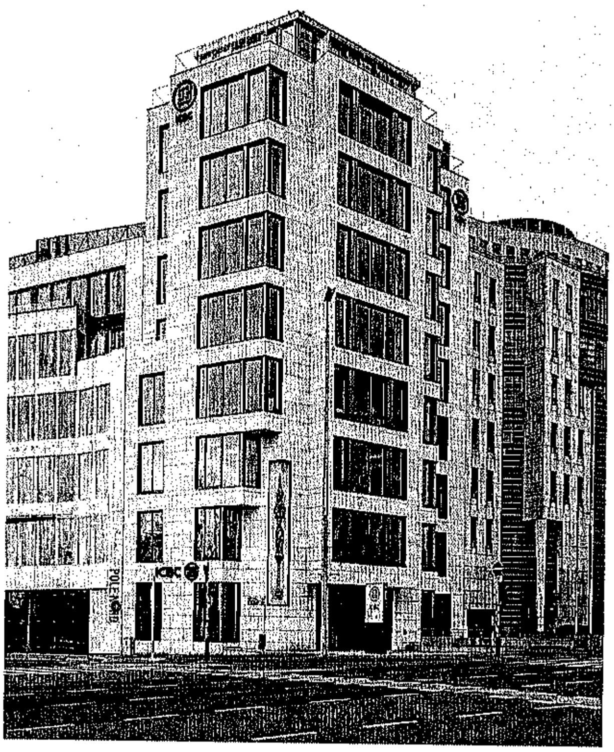
Pour mention aux fins de publication au Mémorial, Recueil des Sociétés et Associations.

Registre de Commerce et des Sociétés
B119320 - L150077555
enregistré et déposé le 07/05/2015

ICBC 工银欧洲

Industrial and Commercial Bank of China (Europe) S.A.

Annual Report 2014



Chairman's Statement

Industrial and Commercial Bank of China (Europe) S.A. (hereinafter referred to as "the Bank") is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited (hereinafter referred to as "ICBC")., which ranked first among Whole Sale/Commercial Banking according to the latest ranking of the Top 1000 World Banks in terms of tier-1 capital published by *The Banker*. As the flagship of ICBC in European continent, the Bank now runs branches in seven other European cities from its headquarter in Luxembourg, providing European and Chinese customers a vast variety of banking services.

The Bank has chalked up remarkable achievements during the year 2014. In face of the difficulties and challenges brought by the severe and complex situation, the Bank has improved its strategies and measures, maintained healthy development and successfully achieved its hard-won operating goals. At the end of 2014, the Bank had total assets of EUR 5,32 billion, and realized a profit after taxes EUR 52,79 million for the financial year, representing an increase of 125% over the previous year, and the NPL (Non Performing Loans) ratio remained zero.

While continuing to develop corporate finance business such as trade finance, project finance, bilateral and syndication loans, the Bank endeavors to diversify the range of service in the business areas in investment banking, private banking and asset management, cross-border RMB business and global cash management. With the business development of Private Banking Center (Europe), ICBC (Europe) Investment Banking Center, ICBC Europe Cash Management Center as well as the establishment of Asset Management Department and Financial Institutions Department of the Bank, the service scope of the Bank has further expanded, aiming to emphasize on low capital utilization and high capital return business, which would play an increasingly important role in contributing to profit in future. In 2014, the Bank was authorized by CSSF and launched its first UCITS Fund in Luxembourg investing in China's onshore bond market, which enabled the Bank to be the first Chinese bank tapping European investment fund industry through its European arm, but also signaled the key milestone of business transformation and localization of the Bank in the local market.

The Bank continuously enhanced the corporate governance, compliance and risk management of the Bank in 2014. The Bank has implemented and has renewed several corporate governance and regional management rules and procedures, aiming to promote a unified and prudent risk culture.

For its outstanding performance and excellent operation management, the Bank was awarded the "Best Bank in Luxembourg" by *Euromoney* in 2014.

Here I would like to express my sincere gratitude to my fellow directors, the management team and the staff for their support, inspiration and hard work during this year.

GAO Ming
Chairman

Industrial and Commercial
Bank of China (Europe) S.A.
32, Boulevard Royal
L-2449 Luxembourg

R.C.S. Luxembourg B 119.320

Annual accounts as at 31 December 2014,
Directors' report and independent auditor's report

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Directors' report
For the year ended 31 December 2014

Industrial and Commercial Bank of China (Europe) S.A ("the Bank" or "ICBC (Europe) S.A."), incorporated in Luxembourg on 5 September 2006, with the company's register number of B119.320 at the RCSL (Registre de Commerce et des Sociétés de Luxembourg), the registered office located at 32 Boulevard Royal L-2449 Luxembourg, has the total share capital amounted to EUR 215,046,000 which represents 17,920,500 shares at a par value of EUR 12 as of 31 December 2014.

The Bank as of 31 December 2014 has six branches in Paris, Amsterdam, Brussels, Milan, Madrid (Madrid has a sub-branch in Barcelona) and Warsaw (collectively "the Branches").

The Directors present their report and the annual accounts of the Bank for the year ended 31 December 2014. To the best of each director's knowledge and belief, there is no information relevant to that preparation of their report of which the Bank's auditors are unaware; and each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Bank's auditors are aware of the information.

There have been no significant events within the Bank since the balance sheet date.

✧ Business review

Financial review

The annual accounts are prepared in EUR. The year 2014 is the eighth fiscal year for the Bank which covers the range of 12 months from 1 January 2014 to 31 December 2014.

The total assets reached EUR 5,321,605,590 as at 31 December 2014, of which EUR 2,152,466,099 correspond to loans and advances to customers, and EUR 2,255,164,778 correspond to loans and advances to credit institutions.

The total liabilities as of 31 December 2014 are EUR 5,321,605,590 of which EUR 1,510,983,585 is amounts owed to credit institutions and EUR 3,383,155,443 is amounts owed to customers.

As of 31 December 2014, the Bank generated a profit for the financial year for EUR 52,790,811.

As of 31 December 2014, total interest income amounts to EUR 146,604,365 and commission income amounts to EUR 29,168,262.

During the year 2014, the Bank had not acquired any of its own shares and had no specific activities in the field of research and development.

Key Business Operations

The principal business activities operated within ICBC (Europe) S.A. during the year of 2014 are: loans operations (i.e. syndicated loan and company loan guaranteed by the domestic branches), fixed-income investment, money market and foreign exchange operations, international trade settlement, deposit taking and remittance operations, and Chinese Yuan Renminbi (CNY) related business.

On 16 December 2014, ICBC (Europe) S.A. launched its first UCITS fund in the European market, which not only enables ICBC to be the first Chinese bank tapping the European investment fund industry through its European entities, but also signals a key milestone of business transformation and localization of ICBC in the overseas market.

The UCITS fund launched by ICBC (Europe) S.A. is an actively managed "China Concept" investment fund which invests into China's onshore bond market by leveraging the RQFII quota from ICBC (Asia) Investment Management Company and is distributed through the branches of ICBC (Europe) S.A. in France, Italy, Spain, Belgium and The Netherlands to European investors. The total AUM of the UCITS was EUR 25m as of the end of 2014.

Bylaws and System support

According to the business concept of "Regulations Prior to Operations", the operational procedures and kinds of management measures (AML Guideline forms the part of the bylaws) on business operations had been drafted and issued internally after the approvals.

By the end of year 2014, the Bank operates the business operations based on the facilities of the following IT platforms:

i) FOVA, global comprehensive business system designed by the Head Office, for the overseas institutions to process the transactions of daily business operations. FOVA system includes:
   a) SUMMIT, acquired by the Head Office from MISYS company, for processing the treasury operations;
   b) FMBM, designed by the Head Office, for the management of financial market business;
   c) DOC, designed by the Head Office, for the International Settlement.
   d) GCMS, designed by the Head Office, for the globe credit management;
   e) EBANK, designed by the Head Office, for the e-banking service to customers;
   f) IFIS, designed by the Head Office, for the fund business handling;
   g) SCMS, designed by the Head Office, for the payment clearing business;
   h) GMRM, designed by the Head Office, for the globe market risk management;
   i) GPC, designed by the Head Office, for the daily control of financial market business;
   j) Internal Transaction Management Module, designed by the Head Office, for the globe management on internal transactions;
   k) Related Transaction Management Module, designed by the Head Office, for the globe management on related transactions;
   l) Business Module of Operation Risk Management, designed by the Head Office, for the globe management on operational risk;
   m) OBMS (Overseas Business and Marketing System), designed by the Head Office, for private banking service;
   n) GAML, designed by the Head Office, for monitoring large amount transaction and detecting suspicious transactions;
   o) CBLA, Black-list solution of the Head Office with product of Dow Jones and FicroSoft. This system is installed in Luxembourg to respect the Banking Secrecy Law of Luxembourg;

ii) CIS (Customer Information System), designed by the Head Office, for managing customer information. CIS is installed in Luxembourg in order to respect the Banking Secrecy of Luxembourg;

iii) Swift Alliance System, the application system provided by the SWIFT, enables the ICBC Luxembourg entities to exchange messages with other financial institution.

iv) FRS system, acquired by the Bank, for generating the regulation reports for local authorities.

✧ Business development

With the establishment of the Branches, the Bank has taken the full advantages of local favourable financial environments and furthermore to develop its service network over the European countries, and has become the European wide strategic development centre and acts as the regional management centre.

The Bank, with the further development, will continuously carry out the treasury and financing operations, and refined the business products (e.g. bank cards, internet banking etc) in order to provide the customers with a full range of services.

The Bank, by taking the advantages of the existing group resources and the regional superiorities, has set up the Assets Management and deliver the assets management, private banking and investment banking related products that the Bank would like to provide to customers.

After having successfully established subordinate branches in the EU countries, the Bank will expand the business operations of RMB related products in the prudential markets in fund field and in cross-border transactions.

The asset management department was established in January 2014 with aim of developing asset management business of the Bank in the European market. The first attempt is the promotion of the "China Concept" investment fund in the European market by leveraging the expertise of ICBC Group in China's onshore bond market and the comprehensive distribution network of ICBC (Europe) S.A. in the local market. ICBC (Europe) S.A. will endeavour to provide investment fund products and services through its network around Europe by taking the opportunity of RMB internationalization and leveraging the expertise of the group in RMB business and China onshore bond market. For the next step, ICBC (Europe) S.A. will continue to be the "Bank of First Choice" for European customers who intend to conduct RMB business by strengthening product innovation and offering more extensive RMB products and services.

The Bank has sent the Application Report to CSSF for applying to activate the Bank's business license of underwriting financial instruments and to passport the relevant services and activities related to the underwriting business to the EU member states where its branches are located. The approval from CSSF was received on 28 November 2014. In order to enrich the product lines of the Bank and meet market needs, the Bank has launched the Bonds Underwriting Business.

✧ Risk Management System

Adhering to the principles of "Integrity, Comprehensiveness, Robustness, Effectiveness, Adequacy, Transparency", the Bank's risk management system comprises the guidance and supervision of Board of Directors, the validation and implementation of Authorised Management (headquarter and branches), the assessment and deliberation of special Committees (Remuneration Committee under Board, Risk Management Committee, Credit Committee and Financial Affaires Committee under Authorised Management), the ongoing controls of internal control functions and business units, the daily controls by operating staff. The Bank has defined clear risk, liquidity and capital management framework, including strategies, policies and procedures for different risk types, always respected Four-Eye principle and maintained appropriate degree of segregation of duties in the business operations.

According to the operational concept of "Regulations Prior to Operations" and "Compliance Priority", the Bank has issued annual business authorizations to subordinate branches as always, formulated kinds of internal bylaws, set up a number of risk limits in line with the risk appetite, and reinforced the regional risk management across the headquarter and branches. Commensurate with the business operations, overall risk management has been further strengthened during 2014 with the update of the Risk Management Committee

Charter, the effective implementation of new product review mechanism and economic capital management. The Bank has also developed regulatory indicator related management systems including internal capital adequacy assessment, risk-weighted asset measurement, large exposure control, liquidity coverage ratio and liquidity ratio management, in order to achieve sustainable development and be compliance with the applied laws and regulations as well.

For credit risk, the Bank has established a unified credit management mechanism, such as credit approval authorization, loan security policy, individual mortgage loan policy, threshold and criteria on credit facilities and bond investment, post-lending management policy. Through GCMS system, the Bank has adopted the methodology developed by the ICBC Head Office to assign internal rating and calculate reference amount of credit line. Decision-making structure on loans is hierarchically organized according to the customer's overall credit line. Above a specific threshold, credit line application must be deliberated by Credit Committee and ratified by authorized management in headquarter. In addition to prudent and strict management on large exposure, the Bank has developed appropriate risk management tools to avoid concentration risk. The Bank also applies a country limit system for countries classified moderate risk or worse. The Bank hitherto has no single NPL (Non Performing Loans) in the books.

For market risk, the Bank has further reinforced the consolidated management of market risk, implemented the measurement and monitoring of interest rate risk, exchange rate risk, and enhanced the market risk report and limit management system. The Bank has set and monitored market risk limits both for headquarter and the branches. According to the market risk policy, the Bank has not conducted any speculation purpose trading and only conducts agency trading or price inquiry money-market trading under the pre-set limits. The Bank ensures that mismatch risk is appropriately managed in such a way that loan portfolios and bond portfolios are refinanced with acceptable cost. By virtue of GMRM and GPC system designed by ICBC Head office, the Bank has enhanced the monitoring methods on interest rate risk and exchange rate risk.

For liquidity risk, the Bank has developed a strategy, policies and practices to manage liquidity risk aiming to ensure that the Bank maintains sufficient liquidity and to conform to the current and future regulatory requirements. The Bank has put in place an effective liquidity risk indicators system in line with the activities development and liquidity risk management policy. In its daily management, with the usage of FMBM system, the Bank can monitor the cash flow incurred by treasure business (Money market, FX, Forward, Swaps) and other transactions (remittance, trade finance, loans) and make a sound funding plan. A daily liquidity ratio reporting system and early warning indicators have been established in headquarter and the branches. Medium and long term liquidity risk management is mainly based on weekly cash flow maturity gap reporting, monthly regulatory liquidity ratio reporting and quarterly liquidity risk analysis. Furthermore, stress tests are carried out quarterly and contingency liquidity plan is regularly reviewed. The Bank consistently enlarges the size of high quality liquidity assets, ensures stable and diversified liabilities, and optimizes the maturity mismatch gap, aiming to comply with the standards set by local banking supervisors.

In respect of operational risk, the Bank has set up the operational risk governance structure on the basis of the principle of "three lines of defense" and enhanced its internal control for effective operational risk management through the application of detailed bylaws, ongoing training, clear definition of the roles and responsibilities and proper segregation among relevant functions so as to avoid potential conflicts of interests. The Bank has preliminarily established a procedure for managing internal incidents and deliberated regularly self assessment conducted by department heads in the risk management committee meeting. Annual operational risk scenario analysis and fraud risk self examination were performed to identify the weakness of operational risk control. The Bank has put the Disaster Recovery Plan (DRP), Business Continuity Plan (BCP) and Crisis Management Guidelines in place, ensuring the continuity of the Bank's operations in significant incident.

With regard to legal risk and compliance risk, the Bank has established a sound management system and performing a full-process legal risk prevention and compliance control mechanism. The Bank has increased legal personnel to further strengthen legal risk management and organized related teams on the implementation of MiFID, FATCA, EMIR. With respect to compliance issues, an effective reporting and communication mechanism within headquarter and branches serve to ensure the adherence of applicable laws, regulations and code of conduct and standards of good practice. The Bank has formulated and revised various internal AML and CTF rules, guidelines and implemented anti-money laundering regulatory requirements in all business areas and management processes. Compliance opinion was given to business departments before conducting the operations and especially for new product review.

For the reputation risk, the Bank adheres to the prevention oriented principle and incorporates reputation risk management into each aspect of operational management of the Bank and every customer service process, for the purpose of controlling and mitigating reputation risk based on its source. The Bank has established a mechanism to collect customer complaints, monitor negative news, and identify the possible reputation risk in launching new product and service.

✧ Statement of Directors' responsibilities

The Bank applies Lux Gaap as the accounting basis to establish, organize and prepare the annual accounts according to the laws and regulations. The Bank prepares and presents the legal prudential reports to the CSSF according to the regulation applicable to Luxembourg financial institutions and publishes the annual reports and necessary information according to the laws and regulations.

The Bank has examined the 2014 annual accounts and financial reports according to the applicable laws and regulations.

✧ Allocation of results

No dividend has been paid during 2014 and the Directors propose that no dividend will be paid during 2015 for the year ended 31 December 2014. As required by the applicable Luxembourg law, the Board suggests to allocate to the legal reserve an amount of EUR 2,639,541 corresponding to 5% of the profit of the year ended 31 December 2014 to the legal reserve and the rest of the profits of the year ended 31 December 2014 to the result brought forward. The new wealth tax reserve for the net wealth tax 2014 will be booked at the level of Industrial and Commercial Bank of China Ltd, Luxembourg Branch, which is in the fiscal unity.

On behalf of the Board

LIU Gang
Managing Director
ICBC (Europe) S.A.

GAO Ming
Chairman
ICBC (Europe) S.A.

Luxembourg March 27, 2015

Directors' Information

The directors of ICBC (Europe) S.A., who held office as of 31 December 2014, are listed as follows with the residential address:

- Chairman: Ms. GAO Ming

The address: 10, Rue Jean Bertholet L-1233 Luxembourg

- Managing Director: Mr. LIU Gang

The address: 46, Rue Glesener, L-1630 Luxembourg

- Director: Mr. LIU Zi Gang

The address: 16-1-201, Fenghuiyuan, Xicheng District, Beijing, P.R.China

- Director: Mr. HONG Gui Lu

The address: 54, Balizhuang Bei Li, Haidian District, Beijing, P.R.China

- Director: Mrs. WANG Yi Xin

The address: 17-2-501, Fengrongyuan, Xicheng District, Beijing, P.R.China

No contracts of significance in relation to the Bank's business in which a director of the Bank had a material interest, whether directly or indirectly, subsisted at the end of year 2014 or at any time during the period from the incorporated date of the Bank (i.e. 5 September 2006) to 31 December 2014.

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To the Board of Directors of
Industrial and Commercial Bank of China (Europe) S.A.
32, Boulevard Royal
L-2449 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of Industrial and Commercial Bank of China (Europe) S.A., which comprise the balance sheet as at 31 December 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Industrial and Commercial Bank of China (Europe) S.A. as of 31 December 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The Directors' report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, 27 March 2015

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

M. Eichmüller de Souza

Industrial and Commercial Bank
of China (Europe) S.A.
Société Anonyme

Balance Sheet
As of 31 December 2014
(expressed in EUR)

Assets	Notes	31.12.2014	31.12.2013
Cash, balances with central banks and post office banks	3	**673,371,605**	**190,151,169**
Treasury bills and other bills eligible for refinancing with central banks	3, 4, 5	**70,151,384**	**68,462,444**
- Treasury bills and similar securities		70,151,384	68,462,444
Loans and advances to credit institutions	3, 6	**2,255,164,778**	**2,506,620,610**
a) repayable on demand		86,207,958	46,891,582
b) other loans and advances		2,168,956,820	2,459,729,028
Loans and advances to customers	3	**2,152,466,099**	**2,559,797,688**
Debt securities and other fixed-income securities	3, 4, 5	**93,823,179**	**81,976,301**
- issued by other borrowers		93,823,179	81,976,301
Shares and other variable-yield securities	3, 4, 5	**14,098,005**	**1,182,164**
Intangible assets	5	**168,699**	**235,836**
Tangible assets	5	**32,856,419**	**31,500,066**
Other assets	7	**2,824,380**	**2,704,103**
Prepayments and accrued income	6, 8	**26,681,042**	**42,557,174**
Total assets	9	**5,321,605,590**	**5,485,187,555**

The accompanying notes form an integral part of the annual accounts.

Industrial and Commercial Bank
of China (Europe) S.A.
Société Anonyme

Balance Sheet (continued)
As of 31 December 2014
(expressed in EUR)

<u>Liabilities</u>	Notes	31.12.2014	31.12.2013
Amounts owed to credit institutions	3, 6	**1,510,983,585**	**4,205,279,052**
a) repayable on demand		12,214,172	1,095,453
b) with agreed maturity dates or periods of notice		1,498,769,413	4,204,183,599
Amounts owed to customers	3	**3,383,155,443**	**963,418,024**
Other debts			
a) repayable on demand		490,902,246	170,939,410
b) with agreed maturity dates or periods of notice		2,892,253,197	792,478,614
Other liabilities	7	**6,435,831**	**4,867,431**
Accruals and deferred income	6, 8	**23,904,573**	**27,295,894**
Provisions	12	**81,080,116**	**21,071,923**
a) provisions for taxation		9,263,910	3,454,866
b) other provisions	12	71,816,206	17,617,057
Subscribed capital	10	**215,046,000**	**215,046,000**
Reserves	11	**3,025,826**	**1,532,960**
Profit or loss brought forward	11	**45,183,405**	**23,218,238**
Profit for the financial year	11	**52,790,811**	**23,458,033**
Total liabilities	9	**5,321,605,590**	**5,485,187,555**

The accompanying notes form an integral part of the annual accounts.

Industrial and Commercial Bank
of China (Europe) S.A.
Société Anonyme

Off balance sheet
As of 31 December 2014
(expressed in EUR)

Off balance sheet	Notes	31.12.2014	31.12.2013
Contingent liabilities	3, 20	**193,429,761**	**505,743,154**
of which:			
- arising from fixed-income transferable securities		---	---
Commitments			
Undrawn credit facilities	3, 20	536,014,715	535,446,438

The accompanying notes form an integral part of the annual accounts.

Industrial and Commercial Bank
of China (Europe) S.A.
Société Anonyme

Profit and loss account
For the year ended 31 December 2014
(expressed in EUR)

	Notes	2014	2013
Interest receivable and similar income		**146,604,365**	**140,117,475**
<u>of which:</u>			
- arising from fixed-income transferable securities		*4,361,810*	*5,518,071*
Interest payable and similar charges		**(69,360,849)**	**(58,402,531)**
Commission receivable		**29,168,262**	**16,600,094**
Commission payable		**(1,199,824)**	**(790,260)**
Net profit or net loss on financial operations	14	**18,696,707**	**(18,005,842)**
Other operating income	16	**1,344,508**	**578,810**
General administrative expenses		**(53,239,591)**	**(38,218,650)**
a) staff costs	17	(37,047,160)	(25,529,468)
of which:			
- wages and salaries		*(26,899,772)*	*(18,204,543)*
- social security costs		*(6,411,695)*	*(4,555,720)*
b) other administrative expenses	19	(16,192,431)	(12,689,182)
Value adjustments in respect of tangible and intangible assets	5	**(2,028,507)**	**(2,009,730)**
Other operating charges	16	**(279,295)**	**(181,296)**
Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	2	**---**	**(290,200)**
Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	4	**(1,733,851)**	**(3,708,024)**
Value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings	4,5	**3,117,213**	**2,155,861**
Tax on profit on ordinary activities	12	**(18,298,327)**	**(14,287,674)**
Profit on ordinary activities after tax		**52,790,811**	**23,458,033**
Profit for the financial year		**52,790,811**	**23,458,033**

The accompanying notes form an integral part of the annual accounts.

Note 1 – General

Corporate matters

Industrial and Commercial Bank of China (Europe) S.A. (the "Bank") was established on 5 September 2006 and formed for an unlimited duration.

The head office of the Bank is located 32, Boulevard Royal at L-2449 Luxembourg. The Bank is registered at the Trade Register of Luxembourg (RCSL) under the number B 119.320.

On 3 December 2010, an Extraordinary General Meeting of the Shareholders resolved unanimously to change the name of the Bank from Industrial and Commercial Bank of China, Luxembourg S.A. into Industrial and Commercial Bank of China (Europe) S.A..

The Bank's accounts are consolidated into the accounts of Industrial and Commercial Bank of China Ltd., Beijing, China ("ICBC Ltd."). These accounts may be obtained from the parent company at 55, Fuxingmennei Avenue, Xicheng District, 100140 Beijing - China.

The members of the Board of Directors are all member of the Senior Management of ICBC Ltd. Group entities. The business policy and valuation principles, unless prescribed by the Luxembourg rules and regulations, are determined and monitored by the Board of Directors in accordance with those applied in the ICBC Ltd. Group.

Nature of the Bank's business

The Bank operates all kinds of banking activities for its own account and for its clients. It will also operate as a central development platform for marketing its services in Europe via a network of branches.

As of 31 December 2014, the Bank has six branches, of which five were opened in 2011 (Paris, Brussels, Madrid, Amsterdam and Milan), and one in 2012 (Warsaw). A sub-branch of Madrid branch was also opened in Barcelona during 2012.

Annual accounts

The Extraordinary Shareholders' Meeting held on 28 June 2010 decided to convert the Bank's capital from USD to EUR. The exchange rate used by the Bank and validated by the Board of Directors to convert the capital figures from USD to EUR was 1 EUR = 1.22956295 USD.

As a consequence and according to article 64 of the modified law of 17 June 1992, the Bank has converted the publication of its accounts into the currency of its capital. The Bank's accounting year coincides with the calendar year.

Note 2 – Summary of significant accounting policies

The annual accounts have been prepared in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on the basis of accounting principles generally accepted in the banking sector in the Grand-Duchy of Luxembourg.

Where necessary, certain prior year figures have been reclassified to conform with the current financial year's presentation for comparative purposes. The Bank had classified one variable-yield security as a fixed income security in 2013. As such, it has been reclassified from "Debt securities and other fixed-income securities" to "Shares and other variable-yield securities". Refer to Note 3. Unrealized gains on certain derivative financial instruments included within "Prepayments and accrued income" and fully provided for within "Provisions: other provisions" in the prior year should have been ignored and have therefore been reversed. Refer to Note 8.

The accounting policies and the valuation principles are, besides the ones laid down by the law and regulations, determined and applied by the Board of Directors.

The significant accounting policies are as follows:

The date of recording transactions in the balance sheet

Assets and liabilities are stated in the balance sheet according to when the amounts concerned become cleared funds, that is, their date of effective transfer.

Foreign currencies

The annual accounts are expressed in Euro (EUR).

The Bank uses the multi-currency accounting system which records all assets and liabilities in their original currencies. For the preparation of the annual accounts which are expressed into Euro, amounts in foreign currencies are translated as follows:

- All assets and liabilities items denominated in foreign currencies are translated into Euro at the spot rate of exchange prevailing at the balance sheet date. However, tangible and intangible assets are translated into Euro at their historical exchange rates. Both realized and unrealized profits and losses arising on revaluation are accounted for in the profit and loss account;
- Revenues and expenses in foreign currencies are recorded in their original currencies and translated into Euro at the rate of exchange prevailing at transaction dates.

Terms of assets and liabilities

Assets and liabilities described as repayable on demand comprise amounts which can be drawn without notice or for which a notice of 24 hours or one working day has been agreed. The expression "with agreed maturity dates" in the various captions refers to a final maturity in excess of one working day, including period of notice exceeding one working day. Assets and liabilities are always classified on the basis of their remaining term as at the balance sheet date.

Note 2 – Summary of significant accounting policies (continued)

Loans and advances

Loans and advances are stated at their acquisition price. The policy of the Bank is to establish specific provisions for doubtful loans in accordance with the circumstances and for amounts specified by the Board of Directors. These provisions are deducted from the appropriate asset account balances and shall not be maintained if the reasons for which they were recorded no longer exist. Accrued interest is recorded in balance sheet caption "Prepayments and accrued income".

Amounts payable

Amounts payables are recorded under liabilities at their reimbursement amount.

Transferable securities

Fixed income transferable securities

Fixed income transferable securities are recorded in the balance sheet at their acquisition cost.

The Bank has a portfolio of fixed-income securities including treasury bills and other bills eligible for refinancing with central banks classified as an investment portfolio of financial fixed assets, which are intended to be used on a continuing basis in the Bank's activities. These securities are valued at the lower of cost or market value.

Value adjustments are to be recorded for permanent impairments in the carrying value of these assets, except for those which are clearly covered by financial instruments and when economic unity is established.

The premium resulting from the purchase of securities having the characteristics of financial fixed assets, at a price exceeding the amount repayable at maturity, is written off in instalments to profit and loss and recorded as "interest payable and similar charges". Instalments are charged pro rata temporis over the life of the security.

The discount resulting from the acquisition of securities having the characteristics of financial fixed assets, at a price less than the amount repayable at maturity, is amortized to profit and loss as "interest receivable and similar income" over the period remaining until the date of maturity or date of disposal, if earlier.

Note 2 – Summary of significant accounting policies (continued)

Shares and other variable-yield securities

Shares and other variable-yield securities are recorded in the balance sheet at their acquisition cost.

At the balance sheet date, shares and other variable-yield securities are stated at the lower of cost or market value. If the valuation is lower than the purchase price, value adjustments are recorded to account for the unrealised loss.

Intangible and tangible assets

Fixtures and fittings costing less than EUR 1,000 or whose expected useful lives are not expected to exceed the current year are charged directly to the profit and loss account.

Intangible and tangible assets are stated at their purchase price less value adjustments. Value adjustment is calculated on a straight-line basis over the estimated useful service life of the assets concerned. For the years 2014 and 2013, the per annum rate used is as follows:

- Building	2.00%
- Computer equipment	33.33%
- Other fixtures and fittings, tools and equipment	8.33% – 16.67%
- Intangible assets	33.33%

Provisions

Provisions are intended to cover losses which are certain or likely to be incurred based on past history and are clearly defined in nature, but are, at the balance sheet date, uncertain as to the amount or as to the date on which they will arise. They are recorded in the currency of the assets to which they relate.

According to the Luxembourg tax legislation, the Bank establishes a lump sum provision for risk exposures, as defined in the legislation governing prudential supervision of banks. The purpose of the provision is to take account of risks which are likely to crystallize but which have not yet been identified as at the date of preparation of the annual accounts.

Pursuant to the Instructions issued by the Directeur des Contributions on 16 December 1997, this provision is made before taxation and may not exceed 1.25% of the Bank's risk exposures.

The lump sum provision for risk exposures is broken down in proportion to the weighting of the items that form the basis of its calculation, between:

- The portion which is deemed to represent a value adjustment, and which is deducted from the asset item that constitutes a risk exposure; and
- The portion which is deemed to represent a provision for liabilities and charges attributable to credit risk associated with off-balance sheet items, foreign exchange risk and market risks, and which is to be shown as a liability under "Provisions: other provisions".

Note 2 – Summary of significant accounting policies (continued)

The Bank's lump sum provision amounts to EUR 6,056,047 as of 31 December 2014 (2013: EUR 5,365,913).

Taxes

Taxes are charged to the profit and loss account on an accruals basis and not in the year in which payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessments have been issued by the tax authorities.

Financial instruments

Valuation of foreign exchange swap transactions

Foreign exchange swap transactions ("FX swaps"), traded over-the-counter and unallocated to given assets or liabilities, are marked-to-market. Net unrealised losses are provided for and recorded in the item "Provisions: other provisions". Net unrealised gains on these FX swaps are ignored.

Valuation of forward foreign exchange transactions

Forward exchange contracts are valued at the rates applicable for the remaining term to maturity at the balance sheet date.

The calculation of the unrealised gains or losses is based on the forward exchange rate for each currency applied to all outrights with the same maturity date.

Forward foreign exchange transactions, which are exclusively contracted on behalf of customers, are covered by reverse forward foreign exchange transactions on a back-to-back basis. Net unrealised losses are provided for and recorded in the item "Provisions: other provisions". Net unrealised gains on these forward foreign exchange contracts are ignored.

Valuation of interest rate swap (IRS) transactions

Interest rate swap transactions ("IRS"), traded over-the-counter and unallocated to given assets or liabilities, are marked-to-market. Net unrealised losses are provided for and recorded in the item "Provisions: other provisions". Net unrealised gains are ignored.

Interest rate swaps traded over-the-counter for hedging purposes of the Bank's interest rate positions are not marked-to-market unless they are hedging fixed-income transferable securities included in the investment portfolio valued at the lower of cost or market. In this case, the IRS is valued according to the same valuation method as the hedged securities. The following valuation rules apply:

Note 2 – Summary of significant accounting policies (continued)

- When the unrealised losses on the hedged securities are greater than the unrealised gains on the IRS, the net unrealised loss must be recorded in the profit and loss account;
- When the unrealised losses on the IRS are greater than the unrealised gains on the hedged securities, the net unrealised loss must be recorded in the profit and loss account;
- When the unrealised gains on the hedged securities are greater than the unrealised losses on the IRS, the net unrealised gain must not be accounted for in the profit and loss account;
- When the unrealised gains on the IRS are greater than the unrealised losses on the hedged securities, the net unrealised gain must not be accounted for in the profit and loss account.

Valuation of cross currency interest rate swap (CCS) transactions

Interests receivable and payable are recorded as accrued income and expenses in the balance sheet.

Unrealised losses are provided for and recorded in the item "Other provisions". Unrealized gains are ignored.

Note 3 – Financial instrument disclosures

Strategy in using financial instruments

The Bank's activities are principally related to the use of primary non-trading financial instruments.

Hedging

As at 31 December 2014, the Bank had entered into two interest rate swap contracts (2013: seven contracts) for the purpose of hedging its existing transferable securities portfolio.

Information on primary non-trading financial instruments

As at 31 December 2014, the analysis of primary non-trading financial instruments by class and contractual residual maturity is the following:

At carrying amount in EUR	≤ 3 months	>3 months ≤ 1 year	>1 year ≤ 5 years	>5 years	Total
Financial assets					
Cash, balances with central banks and post office banks	673,371,605	---	---	---	**673,371,605**
Treasury bills and other bills eligible for refinancing with central banks	9,967,321	---	60,184,063	---	**70,151,384**
Loans and advances to credit institutions	1,702,240,992	547,649,541	5,274,245	---	**2,255,164,778**
Loans and advances to customers	136,685,471	812,677,649	967,587,193	235,515,786	**2,152,466,099**
Debt securities and other fixed-income securities	---	33,043,763	60,779,416	---	**93,823,179**
Shares and other variable-yield securities	---	14,098,005	---	---	**14,098,005**
Total financial assets	**2,522,265,389**	**1,407,468,958**	**1,093,824,917**	**235,515,786**	**5,259,075,050**

Note 3 – Financial instrument disclosures (continued)

Financial liabilities					
Amounts owed to credit institutions	1,261,028,839	183,604,746	66,350,000	---	**1,510,983,585**
Amounts owed to customers	1,542,860,500	1,364,292,646	476,002,297	---	**3,383,155,443**
Total financial liabilities	**2,803,889,339**	**1,547,897,392**	**542,352,297**	---	**4,894,139,028**

At carrying amount in EUR	≤ 3 months	>3 months ≤ 1 year	>1 year ≤ 5 years	>5 years	Total
Off balance sheet					
Contingent liabilities	72,260,044	94,552,000	26,617,717	---	**193,429,761**
Commitments	41,185,000	41,829,500	453,000,215	---	**536,014,715**
	113,445,044	**136,381,500**	**479,617,932**	---	**729,444,476**

As at 31 December 2014, the Bank had not engaged in primary trading instruments.

Note 3 – Financial instrument disclosures (continued)

Information on primary non-trading financial instruments (continued)

As at 31 December 2013, the analysis of primary non-trading financial instruments by class and residual maturity is the following:

At carrying amount in EUR	≤ 3 months	>3 months ≤ 1 year	>1 year ≤ 5 years	>5 years	Total
Financial assets					
Cash, balances with central banks and post office banks	190,151,169	---	---	---	**190,151,169**
Treasury bills and other bills eligible for refinancing with central banks	30,000,000	---	38,462,444	---	**68,462,444**
Loans and advances to credit institutions	1,172,098,467	859,245,502	51,729,326	423,547,315	**2,506,620,610**
Loans and advances to customers	379,820,415	480,385,342	875,408,206	824,183,725	**2,559,797,688**
Debt securities and other fixed-income securities	20,674,833	20,335,042	40,966,426	---	**81,976,301**
Shares and other variable-yield securities	---	---	1,182,164	---	**1,182,164**
Total financial assets	**1,792,744,884**	**1,359,965,886**	**1,007,748,566**	**1,247,731,040**	**5,408,190,376**
Financial liabilities					
Amounts owed to credit institutions	3,129,987,891	1,075,291,161	---	---	**4,205,279,052**
Amounts owed to customers	619,479,526	338,173,913	5,764,585	---	**963,418,024**
Total financial liabilities	**3,749,467,417**	**1,413,465,074**	**5,764,585**	---	**5,168,697,076**
Off balance sheet					
Contingent liabilities	366,153,891	120,799,473	18,745,790	44,000	**505,743,154**
Commitments	8,480,197	113,120,697	384,116,011	29,729,533	**535,446,438**
Total	**374,634,088**	**233,920,170**	**402,861,801**	**29,773,533**	**1,041,189,592**

As at 31 December 2013, the Bank had not engaged in primary trading instruments.

In 2013, the Bank had classified one variable-yield security as a fixed income security. This security has been reclassified from "Debt securities and other fixed-income securities" to "Shares and other variable-yield securities".

Note 3 – Financial instrument disclosures (continued)

Information on derivative financial instruments – hedging

The derivative financial instruments used for hedging purposes, and for which hedging valuation rules are applied, are interest rates swaps which have been contracted by the Bank for the purpose of hedging existing transferable securities.

As at 31 December 2014 and 2013, the tables below summarize the derivative financial instruments used by the Bank for hedging purposes, and for which hedging valuation rules are applied by the Bank, with respect to their notional amount by remaining maturity and their fair value:

Instrument classes as of 31 December 2014 (In EUR)	**≤ 3 months**	**> 3 months ≤ 1 year**	**> 1 year ≤ 5 years**	**> 5 years**	**Total notional amount**	**Fair value**
Interest rate swaps	---	---	---	---	---	---
Total	---	---	---	---	---	---

As at 31 December 2014 the Bank had entered into two interest rate swap contracts for the purpose of hedging its existing transferable securities portfolio. As both hedges are ineffective as of this date, the contracts concerned are included in the table on derivative financial instruments – trading below.

Instrument classes as of 31 December 2013 (In EUR)	**≤ 3 months**	**> 3 months ≤ 1 year**	**> 1 year ≤ 5 years**	**> 5 years**	**Total notional amount**	**Fair value**
Interest rate swaps	38,701,327	7,251,106	18,000,000	---	**63,952,433**	**(1,184,084)**
Total	**38,701,327**	**7,251,106**	**18,000,000**	---	**63,952,433**	**(1,184,084)**

Note 3 – Financial instrument disclosures (continued)

Information on derivative financial instruments – trading

As at 31 December 2014 and 2013, the tables below summarize the derivative financial instruments generally used by the Bank for hedging purposes, but for which hedging valuation rules were not applied by the Bank, with respect to their notional amount by remaining maturity and their fair value:

Instrument classes as of 31 December 2014 (in EUR)	**≤ 3 months**	**> 3 months ≤ 1 year**	**> 1 year ≤ 5 years**	**> 5 years**	**Total notional amount**	**Fair value**
Foreign exchange swaps	1,619,550,581	1,371,796,245	---	---	**2,991,346,826**	**(56,905,800)**
Foreign exchange forwards	76,196,343	153,130,305	131,992,237	---	**361,318,885**	**90,510**
Interest rate swaps	10,000,000	---	8,000,000	---	**18,000,000**	**(944,988)**
Cross currency interest rate swaps	---	---	---	---	---	---
Total	**1,705,746,924**	**1,524,926,550**	**139,992,237**	**---**	**3,370,665,711**	**(57,760,278)**

Note 3 – Financial instrument disclosures (continued)

Instrument classes as of 31 December 2013 (in EUR)	**≤ 3 months**	**> 3 months ≤ 1 year**	**> 1 year ≤ 5 years**	**> 5 years**	**Total notional amount**	**Fair value**
Foreign exchange Swaps	657,259,146	22,178,086	---	—	**679,437,232**	**9,963,302**
Foreign exchange forwards	463,866,885	696,141,859	112,113,811	---	**1,272,122,555**	**(754,199)**
Interest rate swaps	---	---	51,848,298	---	**51,848,298**	**(38,025)**
Cross currency interest rate swaps	155,312,758	---	---	---	**155,312,758**	**(3,008,252)**
Total	**1,276,438,789**	**718,319,946**	**163,962,109**	---	**2,158,720,844**	**6,162,826**

Information on credit risk on primary non-trading financial instruments

The Bank has an exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by granting credits to a limited and specified number of counterparts.

The tables below show the credit risk concentration as it relates to financial instruments both on and off the balance sheet (after lump sum/value adjustments).

Note 3 – Financial instrument disclosures (continued)

Information on credit risk on primary non-trading financial instruments (continued)

As of 31 December 2014 (in EUR)	**Credit risk exposure**	**Collateral**	**Net credit risk exposure**
Treasury bills and other bills eligible for refinancing with central banks	70,151,384	---	**70,151,384**
Debt securities and other fixed income securities	93,823,179	---	**93,823,179**
Shares	14,098,005	---	**14,098,005**
Loans and advances to credit institutions	2,255,164,778	17,296,763	**2,237,868,015**
Loans and advances to customers	2,152,466,099	2,001,122,352	**151,343,747**
Loan commitments and other credit related commitments	536,014,715	---	**536,014,715**
Financial guarantees and other credit related contingent liabilities	193,429,761	---	**193,429,761**
Total	**5,315,147,921**	**2,018,419,115**	**3,296,728,806**

At the request of the Bank, the CSSF with its letter dated 30 May 2011 approved the full exemption of risks taken on Industrial and Commercial Bank of China Limited and its domestic and overseas branches in relation to the large exposure limits, in accordance with Part XVI, point 24 of the circular 06/273, as subsequently modified.

Note 3 – Financial instrument disclosures (continued)

Information on credit risk on primary non-trading financial instruments (continued)

As of 31 December 2013 (in EUR)	**Credit risk exposure**	**Collateral**	**Net credit risk exposure**
Treasury bills and other bills eligible for refinancing with central banks	68,462,444	---	**68,462,444**
Debt securities and other fixed income securities	81,976,301	---	**81,976,301**
Shares	1,182,164	---	**1,182,164**
Loans and advances to credit institutions	2,506,620,610	1,501,894	**2,505,118,716**
Loans and advances to customers	2,559,797,688	2,449,622,321	**110,175,367**
Loan commitments and other credit related commitments	535,446,438	---	**535,446,438**
Financial guarantees and other credit related contingent liabilities	505,743,154	---	**505,743,154**
Total	**6,259,228,799**	**2,451,124,215**	**3,808,104,584**

In 2013, the Bank had classified one variable-yield security as a fixed income security. This security has been reclassified from "Debt securities and other fixed-income securities" to "Shares and other variable-yield securities".

Note 3 – Financial instrument disclosures (continued)

As at 31 December 2014 and 2013, the Bank is exposed to the below credit risk on primary non-trading financial instruments after lump sum/value adjustments by instrument class and geographic location.

Carrying amount	**31.12.2014 EUR**	**31.12.2013 EUR**
Financial assets		
By instrument class and geographic location		
Loans and advances to credit institutions	**2,255,164,778**	**2,506,620,610**
of which non EU member countries	*1,714,602,007*	*2,466,328,391*
Loans and advances to customers	**2,152,466,099**	**2,559,797,688**
of which non-EU member countries	*1,265,237,753*	*1,462,790,894*
Transferable securities	**178,072,568**	**151,620,909**
of which non EU member countries	*94,918,341*	*67,206,038*
Total	**4,585,703,445**	**5,218,039,207**

Information on market risk

Market risk is the risk that the value of an investment or an exposure will decrease due to changes in market factors. On the money market, the exposure could cause a potential loss in a mis-match circumstance of the deal; in the foreign exchange business, a potential loss could also be incurred in the process of squaring, especially in a volatile market.

Market risk management is a key element in the Bank's financial market activities. An appropriate market risk management ensures a profitable outlook for the Bank's financial market activities while minimizing the risk of significant losses. ICBC Head Office authorizes the controlling limits – exposure limit, potential loss amount ("PLA") based on relative interest rate or exchange rate risk for the Bank, and updates the limits annually. These limits must be strictly observed when dealing. In accordance with the outstanding achievement and the dealing behaviour of each dealer, the Financial Market Department ("FMD") implement the limits accordingly and on a timely basis. The Risk Management Department performs an on-going monitoring of these limits

Market risk is managed by the following limits:

In the money market business, limits include:
- Inter-bank deposit limit;
- Period limit of each deal.

Note 3 – Financial instrument disclosures (continued)

Information on market risk (continued)

In the foreign exchange business, limits include:
- Daily exposure limit;
- Overnight exposure limit;
- PLA of the whole dealing room.

Note 4 – Transferable securities

Fixed securities

As at 31 December 2014 and 2013, the listed securities breakdown is as follows:

	31.12.2014 EUR	31.12.2013 EUR
Treasury bills and other bills eligible for refinancing with central banks:		
- issued by public bodies	---	---
- issued by other borrowers	70,151,384	68,462,444
Debt securities and other fixed-income securities:		
- issued by public bodies	---	---
- issued by other borrowers	93,823,179	81,976,301
Total	163,974,563	150,438,745

As at 31 December 2014 and 2013, the Bank does not have any unlisted securities.

As at 31 December 2014 and 2013, bonds and other fixed-income securities and treasury bills are intended to be used on a continuing basis and all are considered as financial fixed assets.

Securities to be repaid within one year amount to EUR 43,011,084 (2013: EUR 71,009,875).

As at 31 December 2014, the market value of the securities held by the Bank amounts to EUR 164,977,537 (2013: EUR 151,043,758).

Note 4 – Transferable securities (continued)

As at 31 December 2014, the cumulative amortization of premiums/discounts on these securities amounts to EUR -422,758 (2013: EUR -536,860) and the portion of the premiums/discounts not yet amortized amounts to EUR 2,109,742 (2013: EUR 487,410).

Shares and other variable-yield securities

As at 31 December 2014 and 2013, the listed shares breakdown is as follows:

	31.12.2014 EUR	**31.12.2013 EUR**
Shares	12,767,500	---
Other variable-yield securities	1,330,505	1,182,164
Total	**14,098,005**	**1,182,164**

The shares included above represent investments in securities to seeding fund. The Bank subscribes the seed money to allow the fund to have a minimum capital base at the launch. After a period of time, the fund receives new inflows enough to redeem the seed money to the Bank.

As at 31 December 2014 and 2013, the Bank does not have any unlisted shares.

As at 31 December 2014, the market value of the shares and other variable-yield securities held by the Bank amounts to EUR 14,098,005 (2013: EUR 1,182,164).

Notes to the annual accounts (continued)
As of 31 December 2014

Note 5 – Movements in fixed assets

(In EUR)	Gross value at the beginning of the year***	Additions	Disposals / Maturity	Gross value at the end of the year	Cumulative value adjustments at the beginning of the year***	Adjustments / additions (*)	Disposals / Maturity	Cumulative value adjustments at the end of the year (*)	Net book value at the end of the year
Treasury bills and other bills eligible for refinancing with central banks	68,527,174	32,150,849	(29,966,773)	70,711,250	(64,730)	(1,349,464)	854,328	(559,866)	70,151,384
Debt securities and other fixed-income securities	83,590,914	51,828,859	(41,157,027)	94,262,746	(1,614,613)	(1,087,839)	2,262,885	(439,567)	93,823,179
Shares and other variable-yield securities	1,182,164	12,915,841	—	14,098,005	—	—	—	—	14,098,005
Intangible assets	384,548	25,972	—	410,520	(148,712)	(93,109)	—	(241,821)	168,699
Tangible assets:	35,182,006	3,291,751	—	38,473,757	(3,681,940)	(1,935,398)	—	(5,617,338)	32,856,419
- land and building (**)	*23,326,000*	*2,602,647*	—	*25,928,647*	(153,991)	*(195,218)*		*(349,209)*	*25,579,438*
- technical equipment and machinery	*3,646,658*	*347,732*	—	*3,994,390*	*(1,603,298)*	*(766,818)*	—	*(2,370,116)*	*1,624,274*
- other fixtures and fittings, tools and equipment	*8,209,348*	*341,372*	—	*8,550,720*	*(1,924,651)*	*(973,362)*	—	*(2,898,013)*	*5,652,707*

* Including the impact of the foreign exchange and lump-sum provision

** The Bank acquired in December 2012 a building in Madrid and in 2014 carried out capital expenditure on the property.

*** In 2013, the Bank had classified one variable-yield security as a fixed income security. This security has been reclassified from "Debt securities and other fixed-income securities" to "Shares and other variable-yield securities".

Note 6 – Related parties balances

As at 31 December 2014 and 2013, the following main balances with related parties are included on the assets side of the balance sheet:

	31.12.2014 EUR	31.12.2013 EUR
Loans and advances to credit institutions	2,080,006,277	2,421,093,056
Prepayments and accrued income	9,244,520	25,975,248
	2,089,250,797	**2,447,068,304**

The following main balances with related parties are included on the liabilities side of the balance sheet:

	31.12.2014 EUR	31.12.2013 EUR
Amounts owed to credit institutions	1,157,405,068	3,961,564,325
Accruals and deferred income	10,762,783	7,893,783
	1,168,167,851	**3,969,458,108**

Note 7 – Other assets and other liabilities

As at 31 December 2014, the "other assets" balance is mainly composed of tax advance payments for an amount of EUR 0.4 million and an amount of EUR 0.6 million concerning a marketing event. Furthermore an amount of TEUR 179 related to withholding tax with the remainder being sundry other asset balances. In 2013, the caption was mainly composed of tax advance payments for an amount of EUR 1.5 million.

As at 31 December 2014 and 2013, "other liabilities" are as follows:

	31.12.2014 EUR	31.12.2013 EUR
Transitory accounts	5,253,436	3,118,116
Preferential creditors	458,605	1,247,886
Audit and consultant fees payable	78,056	116,561
Other	645,734	384,868
	6,435,831	**4,867,431**

Note 8 – Prepayments and accrued income, accruals and deferred income

As at 31 December 2014 and 2013, prepayments and accrued income are as follows:

	31.12.2014 EUR	31.12.2013 EUR
Accrued interest receivable	26,055,641	39,523,802
Accrued fees receivable	466,797	387,326
Other	158,604	2,646,046
	26,681,042	**42,557,174**

The "Other" balance is mainly composed of prepaid expenses.

In 2013, unrealized gains on certain derivative financial instruments were included within "Prepayments and accrued income" and fully provided for within "Provisions: other provisions". These should have been ignored and have therefore been reversed.

As at 31 December 2014 and 2013, accruals and deferred income are as follows:

	31.12.2014 EUR	31.12.2013 EUR
Accrued interest payable	12,398,490	15,705,753
Accrued fees payable	11,500,107	10,112,652
Other	5,976	1,477,489
	23,904,573	**27,295,894**

As at 31 December 2013, the "Other" balance was mainly composed of deferred income..

Note 9 – Foreign currency assets and liabilities

As at 31 December 2014, the aggregate amount of the Bank's assets and liabilities denominated in foreign currencies, translated into EUR is equivalent to respectively EUR 5,364,161,042 and EUR 3,385,921,036 (2013: assets EUR 4,653,624,662 and liabilities EUR 3,932,279,857).

Note 10 – Subscribed capital

In order to be prepared for the Bank's network expansion in other EU countries, the Extraordinary Shareholders' Meeting held on 28 June 2010 decided to convert the previous capital of USD 18,500,000 from USD to EUR at the rate of 1 EUR = 1.22956295 USD and simultaneously to increase the capital by EUR 100,000,003.37.

On 19 July 2013 the Extraordinary Shareholders' Meeting decided to increase the share capital of the Bank by an amount of EUR 100,000,000. After the increase the fully paid capital of the Bank amounts to EUR 215,046,000 (fully paid capital as at 31 December 2012: EUR 115,046,000) and is represented by 17,920,500 (as at 31.12.2012: 10,004,000 registered shares) registered shares with a nominal value of EUR 12.00 each.

After the capital increase in 2013 the subscribed capital of the Bank is EUR 215,046,000.

Note 11 – Movements in reserves, result brought forward and profit for the financial year

The movements in reserves, result brought forward and profit for the financial year are summarized below:

	Legal reserve	**Net worth tax reserve**	**Profit or loss brought forward**	**Profit for the financial year**
	EUR	**EUR**	**EUR**	**EUR**
Balance at the beginning of the year	**1,180,385**	**352,575**	**23,218,238**	**23,458,033**
Allocation of 2013 profit (1)	1,172,902	---	22,285,131	**(23,458,033)**
Profit for the year ended 31 December 2014	---	---	---	**52,790,811**
Exchange rate fluctuation (2)	319,964	---	(319,964)	---
Total	**2,673,251**	**352,575**	**45,183,405**	**52,790,811**

(1) The Annual Shareholders' Meeting dated 10 April 2014 approved the appropriation of the 2013 result.

(2) The exchange rate fluctuation is due to the application of the year end exchange rate EUR/USD on the USD year end balances.

Note 11 – Movements in reserves, result brought forward and profit for the financial year (continued)

Legal reserve

In accordance with Luxembourg law, the Bank must transfer at least 5% of its annual profit to the legal reserve until this equals 10% of subscribed capital. The legal reserve is not distributable.

Other reserves

Luxembourg tax legislation provides for a reduction of the net worth tax on the condition that a special reserve was established for an amount equal to 5 times the net worth tax liability of that year. This reserve which may not be distributed for a period of 5 years is established via an appropriation from profit brought forward. Refer also to Note 12 below.

Note 12 – Provisions

Provisions for taxation

The Bank is liable to taxes on income and net assets. Tax liabilities are recorded under "Provisions for taxation" in the balance sheet. As at 31 December 2014, the provisions for taxation amount to EUR 9,263,910 (2013: EUR 3,454,866).

Since 2012, the Bank and Industrial and Commercial Bank of China, Luxembourg Branch form a fiscal unity. Since the profits of this branch are higher than the Bank, the Bank decided to record its net wealth tax reserve in the Branch.

Other provisions

As at 31 December 2014, the other provisions are mainly composed of unrealized losses on derivative financial instruments used by the Bank for trading for an amount of EUR 57,882,906 (2013: EUR 9,660,923), the provision for bonus for an amount of EUR 13,337,651 (2013: EUR 7,639,735) and of AGDL provision for an amount of EUR 595,649 (2013: EUR 316,399).

In 2013, unrealized gains on certain derivative financial instruments were included within "Prepayments and accrued income" and fully provided for within "Provisions: other provisions". These should have been ignored and have therefore been reversed.

Note 13 – Deposit guarantee scheme

All credit institutions in the Luxembourg banking sector are members of the non-profit making association "Association pour la Garantie des Dépôts, Luxembourg" ("AGDL").

In accordance with the Law of 5 April 1993 as amended by the Law of 11 June 1997, the sole object of AGDL is the establishment of a mutual guarantee scheme covering deposits made by customers of member credit institutions ("the Guarantee"). The customers covered by the Guarantee include all depositors who are physical persons, whatever their nationality or country of residence.

Note 13 – Deposit guarantee scheme (continued)

Also covered by the Guarantee are small companies constituted under the law of a Member State of the European Union, whose size is such that they would be permitted to draw up abbreviated accounts pursuant to Article 35 of the modified Law of 19 December 2002 on commercial companies, as amended.

With respect to each member, the Guarantee is limited to a maximum amount per cash depositor of EUR 100,000 or its foreign currency equivalent. No cash depositor can receive more than this sum, regardless of the number of accounts or deposits held in the sole or joint name of the depositor with the same credit institution.

The Law of 27 July 2000 stipulates that banks must also belong to an investment Guarantee scheme. This additional Guarantee covers the reimbursement of claims resulting from investment transactions other than relating to a cash deposit up to the amount of EUR 20,000.

The total amount of the Guarantees which will in no case exceed EUR 120,000 per customer (EUR 100,000 deposit guarantee and EUR 20,000 investor compensation) represents an absolute figure and cannot be increased by any interest, charges or any other amount. If the guarantee is called, the annual payment to be made by each member is limited to 5% of shareholders' equity.

During the year 2014, the Bank booked an AGDL provision for an amount of TEUR 279 (refer to Note 12).

Note 14 – Net result on financial operations

As of 31 December 2014 and 2013, the net result on financial operations is as follows:

	2014 EUR	2013 EUR
Currency related instruments and exchange result	18,696,707	(18,005,842)
Total	**18,696,707**	**(18,005,842)**

The "Currency related instruments and exchange result" is mainly composed of unrealized losses and realized gains and losses on derivative financial instruments.

Note 15 – Breakdown of income by geographic markets

The Bank's income is mainly derived from China and the countries of its branches (Belgium, France, Italy, The Netherlands, Poland and Spain), as well as Luxembourg.

Note 16 – Other operating income and other operating charges

As of 31 December 2014 and 31 December 2013, "Other operating income" is mainly composed of the refund of VAT.

As of 31 December 2014,"Other operating charges" is mainly composed of an AGDL provision charge for an amount of TEUR 279 (2013: TEUR 170).

Note 17 – Staff and Management

Staff

The average number of persons employed during the year by the Bank was as follows:

	2014	2013
Senior Management	5	5
Management	29	23
Employees	255	216
Total	**289**	**244**

In accordance with a service line agreement dated 1 October 2010 signed between the Bank and Industrial and Commercial Bank of China Ltd., Luxembourg Branch ("the Branch"), the Branch pays management fees to the Bank as a compensation for the services rendered by the Bank's employees.

Administrative and managerial bodies

As at 31 December 2014 and 2013, there was no pension commitment in respect of current and former members of the Board of Directors, Senior Management, Management and staff.

No loans or advances have been granted to members of the Board of Directors, Senior Management and Management of the Bank (2013: none).

The fixed remuneration including all allowances (housing, expatriating etc.) for the Senior Management in the financial year 2014 amounts to EUR 1,231,455. As at 31 December 2014, no remuneration was granted to the members of the Board of Directors (2013: none).

Note 18 – Management and representative services

The Bank is authorized to conduct business operations entirely on behalf of the Industrial and Commercial Bank of China Ltd., Luxembourg Branch under a formal Service Level Agreement ("SLA") between the Bank and the Branch, which was effective as from 1 October 2010. The Bank shall, within the scope of the SLA, perform and manage all the business operations, including human resources, business operations, accounting procedures and Information Technology, for the Branch.

Note 19 – Audit fees

Fees (excluding VAT) charged to the Bank by KPMG Luxembourg and other member firms of the KPMG network during the year is analyzed as follows:

	2014 **EUR**	**2013*** **EUR**
Audit fees	115,319	122,760
Audit-related fees	---	---
Tax fees	40,898	27,135
Other services	104,994	---
	261,211	**149,895**

* For the financial year ended 31 December 2013, the amounts disclosed under audit-related fees in the prior year annual accounts represented audit fees for local statutory audits in the countries of the branches of the Bank. These have been reclassified to audit fees to conform with the current financial year's presentation for comparative purposes.

Such fees are presented under "Other administrative expenses" in the Profit and loss account.

Note 20 – Contingent liabilities and Commitments

Contingent liabilities

As at 31 December 2014, contingent liabilities consist of guarantees issued by the Bank for EUR 193,429,761 (2013: EUR 505,743,154).

Commitments

As at 31 December 2014, the Bank's commitments are mainly composed of undrawn credit facilities for EUR 536,014,715 (2013: EUR 535,446,438).

Note 20 – Contingent liabilities and Commitments (continued)

Furthermore, the Bank's annual lease commitments are analyzed as follows:

- *Luxembourg's office:* the future rent payment commitments are covered by two lease contracts:
  - The future rent payment commitment amounts to EUR 1,000,000 per year, VAT excluded. The rent can be adjusted according to the indexation change. The lease agreement covers the period from 30 September 2011 to 15 September 2027.
  - The future rent payment commitment amounts to EUR 419,464 per year, VAT excluded. The rent can be adjusted annually according to the indexation change. The lease agreement covers a period of 4 years, from 1 December 2013 to 30 September 2017. The second phase covers the period from 1 October 2017 to 30 November 2022. The future rent payment commitment for the second phase amounts to EUR 464,464 per year, VAT excluded. The rent can be adjusted annually according to the indexation change.
- *Amsterdam Branch:* the future rent payment commitment amounts to EUR 489,470 per year, VAT excluded. The rent will be adjusted annually in accordance with the "Central Bureau of Statistics" price-index. The lease agreement covers a period of seven years, from 1 January 2015 to 28 February 2022.
- *Brussels Branch*: the future rent payment commitments are covered by two lease contracts:
  - The future rent payment commitment amounts to EUR 140,225 per year, VAT excluded. The rent can be adjusted annually according to the indexation change. The lease agreement covers a period of 18 years, from 1 November 2010 to 31 October 2028;
  - The future rent payment commitment amounts to EUR 96,570 per year, VAT excluded. The rent can be adjusted annually according to the indexation change. The lease agreement covers a period of 9 years, from 1 September 2013 to 31 August 2022.
- *Madrid Branch*: the future rent payment commitment are composed of two amounts:
  - An amount of EUR 507,133 per year, VAT excluded. The rent can be adjusted annually in accordance with the indexation change. The lease agreement covers a period of eight years, from 31 August 2010 to 30 August 2018.
  - For the sub-branch of Madrid branch in Barcelona an amount of EUR 305,400 per year, VAT excluded. The rent can be adjusted annually in accordance with the indexation change. The lease agreement covers a period of ten years, from 28 July 2012 to 27 July 2022.
- *Milan Branch*: the future rent payment commitment are composed of two amounts:
  - An amount of EUR 630,000 per year, VAT excluded. The rent can be adjusted annually in accordance with the indexation change. The lease agreement covers a period of six years, from 10 January 2011 to 10 January 2017.
  - An amount of EUR 202,000 per year, VAT excluded. The rent can be adjusted annually in accordance with the indexation change. The lease agreement covers a period of six years, from 7 November 2012 to 6 November 2018.
- *Paris Branch*: the future rent payment commitment are composed of two amounts:
  - An amount of EUR 969,380 per year, VAT excluded. The rent can be adjusted according to the indexation change. The lease agreement covers the period from 15 August 2010 to 14 August 2019 with a minimum duration of two years.

Note 20 – Contingent liabilities and Commitments (continued)

- An amount of EUR 426,155 per year, VAT excluded. The rent can be adjusted according to the indexation change. The lease agreement covers the period from 1 August 2012 to 31 July 2021 with a minimum duration of 4 years.

- *Warsaw Branch:* the future rent payment commitment amounts to EUR 326,000 per year, VAT excluded. The rent can be adjusted annually according to the indexation change. The lease agreement covers a period of 10 years, from 1 October 2012 to 30 September 2022.